GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2222
ANSWERED ON:12.12.2008
HIGH FOOD AND ENERGY PRICES
Bose Shri Subrata;Rathod Shri Harisingh Nasaru

Will the Minister of FINANCE be pleased to state:

(a) whether President of World Bank at the Meeting of World Bank/International Monetary Fund held in Washington this year has expressed concern over high prices of food and energy and their impact;

(b) if so, the details thereof;and

(c) the steps taken/being taken by the government in this regard?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (PAWAN KUMAR BANSAL)

(a) & (b): Yes,Sir.The World Bank President at the Meetings of World Bank/International Monetary Fund (IMF) held recently in Washington expressed concern over high prices of food and energy and their impact and mentioned that many developing countries have already been hit hard with high prices for energy and essential foodstuffs risk,which may have serious setbacks to their efforts to improve the lives of their populations from any prolonged tightening,credit, or a sustained global slowdown.

The World Bank Group has assured to help their partner countries and have recently announced $ 1.2 billion Rapid Financing Facility for providing immediate help for countries coping with the impact of high food prices on the poor, out of which $ 850 million has already been approved or in the pipeline.

(c) Government of India has taken a number of steps to meet its needs of food items at reasonable prices including augmenting availability of wheat through public sector agencies,banning export of wheat and non-basmati rice,increasing minimum support price, protecting vulnerable sections of society through Targeted Public Distribution System (TPDS) and Antodaya Anna Yojana (AAY) and tariffs reductions,regulatory measures in futures trade, etc.